

stockholders' equity and cash flow for the fiscal years then ended together with a report thereon of the Company's independent certified public accountants. The Financial Statements (i) have been prepared in accordance with generally accepted accounting principles applied on a basis consistent throughout the periods covered thereby, (ii) present fairly, in all material respects, the financial condition of the Company as of the respective dates indicated and the results of its operations and changes in cash flows for the respective periods then ended, (iii) are true, correct and complete in all material respects, and (iv) are consistent with the books and records of the Company, which books and records are true, correct and complete in all material respects.

(b) Attached as SCHEDULE 3.14(b) are true and complete copies of the unaudited balance sheet of the Company as of September 30, 1999, and the related operating statement for the period January 1, 1999 through September 30, 1999. The Interim Financial Statements (i) have been prepared on a basis consistent with past practices, (ii) present fairly, in all material respects, the financial condition of the Station as at the date indicated and the results of its operations and changes in financial position for the period then ended, (iii) are true, correct and complete in all material respects, and (iv) are consistent with the books and records of the Company, which books and records are true, correct and complete in all material respects; subject, however, to normal and customary year-end adjustments which, individually or in the aggregate, are not materially adverse and provided that the Interim Financial Statements do not contain footnotes. Upon delivery of the financial statements described in Section 5.3, all such statements shall be deemed to be Interim Financial Statements (with the substitution of the appropriate date and period thereof), and Sellers shall be deemed to have made the representations and warranties contained in this Section 3.14(b) in respect of such financial statements for all purposes of this Agreement.

3.15 **Absence of Certain Events.** Except as reflected in SCHEDULE 3.15, since September 30, 1999, there has not been any material adverse change in the assets, business, financial condition, operation, results of operations or prospects of the Station or the Company. Without limiting the generality of the foregoing, since September 30, 1999, there has not been:

(a) any contract, agreement, transaction, or commitment by the Company with respect to the Station except in the ordinary course of business consistent with past practices;

(b) any default on the part of the Company under any indebtedness of the Company, or any event which with the lapse of time or the giving of notice, or both, would constitute such a default;

(c) any issuance, sale or other disposal of any capital stock of the Company, or any grant of options, warrants or other rights to obtain any of its capital stock;

(d) any amendment or termination of any of the Contracts, Leases, Licenses or other license to which the Company is a party, except in the ordinary course of business consistent with past practices;

- Company;
- (e) any amendment made or authorized to the charter or bylaws of the Company;
 - (f) any security interest or other Lien imposed upon any of the Assets;
 - (g) any extraordinary losses (whether or not covered by insurance) or waiver by the Company of any extraordinary rights of value;
 - (h) except as set forth in SCHEDULE 1.1, any commitment to or liability to any labor organization which represents, or proposes to represent, employees of the Station;
 - (i) except as set forth in SCHEDULE 1.1, any lowering of the advertising rates of the Station in a manner not consistent with the Company's past practices or reflective of current market conditions;
 - (j) any notice from any sponsor or any customer as to the sponsor's or customer's intention not to conduct business with the Station, the result of which loss or losses of business, individually or in the aggregate, has had, or could reasonably be expected to have, a material adverse effect on the financial condition, liabilities, assets, business, or results of operation of the Company or the Station;
 - (k) to the Knowledge of Sellers and the Company, any adverse change in cable carriage or channel position on which the Station is carried on any cable system;
 - (l) any notification to the Company or the Station that the Station may not be entitled to "must carry rights" under the Cable Act either because Station fails to meet the requisite signal strength for such status or the Station would be considered a distant signal under the cable compulsory copyright license, 17 U.S.C. § 111;
 - (m) a period of two (2) consecutive days or more during which the Station was off the air for any reason or a period of fifteen (15) days or more during which the Station operated at substantially reduced power; or
 - (n) except as set forth on SCHEDULE 3.15, any declaration, setting aside or payment, directly or indirectly of any cash or non-cash dividend or other cash or non-cash distribution in respect of any of the securities of the Company, or any direct or indirect redemption, purchase or other acquisition of any securities of the Company or agreement to do so.

3.16 No Undisclosed Liabilities.

- (a) Except as set forth on SCHEDULE 3.16(a), the Financial Statements or the Interim Financial Statements, the Company has no debt, liability or obligation of any kind, whether accrued, absolute, contingent, inchoate or otherwise (and there is no basis for any present or future action, suit, proceeding, hearing, investigation, charge, complaint, claim or demand against the Company giving rise to any such debt, liability or obligation), including, without limitation, any obligation or liability with respect to Taxes or any governmental charges

or penalty, interest or fines, except for liabilities of the Company properly associated with the operation of the Station, such as obligations under Contracts and Leases, which liabilities have been set forth on the face of the Interim Balance Sheet (rather than in any notes thereto) or have been incurred in the ordinary course of business consistent with past practice since the date of the Interim Balance Sheet.

(b) The Company has not, by written instrument or otherwise, guaranteed the payment or collection, or pledged any of its assets or properties to secure payment, of any indebtedness of any Person.

3.17 No Litigation or Labor Disputes; Compliance with Laws.

(a) Except as set forth in SCHEDULE 3.17 there is no decree, judgment, order, litigation at law or in equity, arbitration proceeding or other proceeding before or by any commission, agency or other administrative or regulatory body or authority pending or, to the Knowledge of Sellers and the Company, threatened against the Company, the Station Assets, or, with respect to the transactions contemplated herein, any Seller and, to the Knowledge of Sellers and the Company, there exists no basis for any claim, litigation or proceeding. Except as set forth in SCHEDULE 3.17 to the Knowledge of Sellers and the Company, there is no investigation by any commission, agency or other administrative or regulatory body or authority pending or threatened which is specifically concerned with the operations, business or affairs of the Company, the Station or the Station Assets, and, to the Knowledge of Sellers and the Company, there exists no basis for any such investigation.

(b) Except as set forth in SCHEDULE 1.1, the Company is not subject to or bound by any labor agreement; there is no labor dispute, grievance, controversy, strike, request for union representation, claim for unfair labor practices, or other collective bargaining disputes pending or, to the Knowledge of Sellers and the Company, threatened against the Company relating to or affecting the business or operations of the Station.

(c) The Company has carried on and conducted the business and affairs of the Station in compliance in all material respects with all applicable treaties, laws, statutes, ordinances, rules and regulations, and all applicable court or administrative orders or processes, including but not limited to those of the FCC, Occupational Safety and Health Administration, Equal Employment Opportunity Commission, and National Labor Relations Board. The Company complies in all material respects with all applicable statutes, rules and regulations pertaining to equal employment opportunity.

3.18 Taxes.

(a) All federal, state and local Tax returns and Tax reports required to be filed by the Company have been filed with the appropriate governmental agencies in all jurisdictions in which such returns and reports are required to be filed. The Company and Sellers have delivered to Buyer correct and complete copies of all federal and state income tax returns filed by and all examination reports, and statements of deficiencies assessed against, or agreed to by, the Company since October 31, 1993. All such Tax returns and reports are correct and complete in all material respects. All Taxes owed by the Company (whether or not shown on any Tax return

or report) have been fully paid. No claim has ever been made by any authority in a jurisdiction where the Company does not file Tax returns or reports that the Company is or may be subject to taxation by such jurisdiction. The Company has not requested, and is not the beneficiary of, any extension of time within which to file any Tax returns or reports;

(b) Except as set forth in SCHEDULE 3.18, no issues, claims or disputes have been asserted, claimed or raised by the Internal Revenue Service or any other taxing authority in connection with an audit or examination of any of the returns and reports referred to in Section 3.18(a). Since October 31, 1993, except as set forth in SCHEDULE 3.18, none of the Company's Tax returns or reports has been audited or examined. None of the Company's Tax returns or reports is currently subject to audit or examination. The Company has not waived any statute of limitation with respect to Taxes or agreed to any extension of time with respect to a Tax assessment or deficiency;

(c) Except as reflected on the Financial Statements and the Interim Financial Statements, there are and after the date of this Agreement to the Closing Date will be, no Tax deficiencies or liabilities (including penalties and interest) of any kind assessed against or relating to the Company or the Station with respect to any taxable period ending on or before the Closing Date for all Tax returns or reports required to be filed on or before the Closing Date.

(d) The Company has withheld and paid all Taxes required to have been withheld and paid to any appropriate taxing authority in connection with amounts paid or owing to any employee, independent contractor, creditor, stockholder, or other third Person; and

(e) The Company has not filed a consent under Code §341(f) concerning collapsible corporations. The Company has not made any payments, is not obligated to make any payments, and is not a party to any agreement that under certain circumstances could obligate it to make any payments that will not be deductible under Code Section 280G. The Company is not and has never been a United States real property holding corporation within the meaning of Code Section 897(c)(2) during the applicable period specified in Code Section 897(c)(1)(A)(ii). The Company has disclosed on its federal income Tax returns all positions taken therein that could give rise to a substantial understatement of federal income Tax within the meaning of Code Section 6662. The Company is not a party to any Tax allocation or sharing agreement. The Company (i) is not and since July 31, 1993, has not been a member of an Affiliated Group filing a consolidated federal income Tax Return, and (ii) has no Liability for the Taxes of any Person (other the Company) under Treasury Regulation Section 1.1502-6 (or any similar provision of state, local, or foreign law), as a transferee or successor, by contract, or otherwise.

3.19 Governmental Authorizations

(a) Subject to the outcome of the pending FCC license renewal proceeding, as to which no representatives or warranties of outcome have been given by the Company, the Company holds, and on the Closing Date will hold, all the necessary, regular and valid licenses and authorizations from the FCC to operate the Station and each valid license or authorization is in full force and effect for the full term set forth on SCHEDULE 1.5. The Licenses described in SCHEDULE 1.5 constitute all of the Licenses (i) issued by the FCC to the Company; (ii) with respect to FCC applications constituting Licenses, filed by the Company with the FCC; and (iii)

necessary to enable the Company to broadcast and transmit the Station's present television programming. The Station has been assigned a digital television frequency, and the Licenses shall include all digital television authorizations issued at any time by the FCC to Seller relating to the Station. Sellers have delivered to Buyer true and complete copies of all of the Licenses (including all amendments and modifications and applications for amendment or modification thereto). No qualifications, registrations, filings, privileges, franchises, licenses, permits, approvals or authorizations other than the Licenses are required in order for the Company to own and operate the Station in the manner operated on the date hereof. Except as set forth in SCHEDULE 3.17 no action or proceeding including any petition to deny or informal objection is pending or, to the Knowledge of Sellers and the Company, threatened before the FCC or any other governmental body to revoke, refuse to renew or modify such Licenses or other authorizations of the Station.

(b) SCHEDULE 3.19(b) includes a true and complete list of all agreements with operators of cable television systems pursuant to which the Company has granted to such operators the right to retransmit the Station's signal (the "**Retransmission Agreements**") and copies of all must carry elections made by the Station. Except with respect to cable television systems that are parties to the Retransmission Agreements, the Company made a valid and timely election of must carry with respect to each cable system located within the Station's Area of Dominant Influence (as defined in Section 76.55(e)(1) of the FCC's rules and regulations), with respect to the period commencing January 1, 1997. Except as set forth on SCHEDULE 3.19(b), no cable system has notified the Company in writing of any signal quality deficiency or copyright indemnity or other prerequisite to cable carriage of the Station's signal, and no cable system has declined or threatened to decline such carriage or failed to respond to a request for carriage or sought any form of relief from carriage from the FCC.

3.20 **Compliance with FCC Requirements.** The Station, its physical facilities, electrical and mechanical systems and transmitting and studio equipment are being and have been operated in all material respects in accordance with the specifications of the applicable Licenses and with each document submitted in support of such Licenses, and the Station is in compliance in all material respects with all requirements, policies, rules and regulations of the FCC and the Federal Aviation Administration. Without limiting the generality of the foregoing, the Station has complied in all material respects with the FCC's rules, regulations, and policies concerning the amount of educational and informational children's television aired as well as the limits on the duration of advertising in children's programming and the recordkeeping obligations related thereto. The Company has timely paid all FCC regulatory fees. All obligations, reports and other filings required by the FCC with respect to the Station, including, without limitation, all issues/programs reports and all material required to be placed in the Station's public inspection file, have been properly and timely filed and are true and complete in all material respects. Except as set forth in SCHEDULE 3.17, to the Knowledge of Sellers and the Company, there is not currently pending or threatened any proceeding, complaint or investigation before the FCC relating to the Station.

3.21 **Brokers.** Neither the Sellers nor the Company has any obligation or liability to pay any fees or commission to any broker, finder, agent or similar Person, with respect to the transactions contemplated by this Agreement, except for the payment to Robert H. Clymer under Section 2.1(b).

3.22 Environmental Compliance.

(a) The Company has complied in all material respects with all Environmental Laws, and no action, suit, proceeding, hearing, investigation, charge, complaint, claim, demand, or notice has been filed, commenced or, to the Knowledge of Sellers and the Company, threatened against the Company which: (i) asserts or alleges that the Company violated any Environmental Laws; (ii) asserts or alleges that the Company is required to clean up, remove or take remedial or other response action due to the disposal, depositing, discharge, leaking or other release of any Hazardous Materials; or (iii) asserts or alleges that the Company is required to pay all or a portion of the cost of any past, present or future cleanup, removal or remedial or other response action which arises out of or is related to the disposal, depositing, discharge, leaking or other release of any Hazardous Materials. Without limiting the generality of the foregoing, each of the Company and, to the Knowledge of Sellers and the Company, its predecessors and Affiliates has obtained and been in compliance in all material respects with all of the terms and conditions of all permits, licenses, and other authorizations which are required under, and has complied in all material respects with all other limitations, restrictions, conditions, standards, prohibitions, requirements, obligations, schedules and timetables which are contained in, Environmental Laws.

(b) No Person has caused or permitted Hazardous Materials to be stored, deposited, treated, recycled or disposed of on, under or at any Real Property owned, leased, used or occupied by the Company which Hazardous Materials, if known to be present, would require cleanup, removal or some other remedial action under any Environmental Laws.

(c) Except as set forth in SCHEDULE 3.22, there are not now, nor have there previously been, tanks or other facilities on, under, or at the Real Property which contain or contained any Hazardous Materials which, if known to be present in soils or ground water, would require cleanup, removal or some other remedial action under Environmental Laws.

(d) There are no conditions existing currently which would subject the Company to damages, penalties, injunctive relief or cleanup costs under any Environmental Laws or which require or, to the Knowledge of Sellers and the Company, are likely to require, cleanup, removal, remedial action or other response pursuant to Environmental Laws by the Company.

(e) The Company is not subject to any judgment, order or citation related to or arising out of any Environmental Laws and has not been named or listed as a potentially responsible party by any governmental body or agency in a matter related to or arising out of any Environmental Laws.

(f) The operation of the Station does not exceed the permissible levels of exposure to RF radiation specified in either the FCC's current rules, regulations and policies or the further RF radiation rules, regulations and policies proposed in the Second Memorandum Opinion and Order and Notice of Proposed Rulemaking, FCC 97-303, WT Docket No. 97-192, ET Docket No. 93-62, RM-8577 (Released: August 25, 1997), Second Erratum (Released: October 22, 1997) and the Third Erratum (Released: November 12, 1997), and the requirements as specified in OET Bulletin No. 65 and Supplement A to that Bulletin.

3.23 **Disclosure.** No statement of material fact by Sellers or the Company contained in this Agreement and no written statement of material fact furnished or to be furnished by Sellers or the Company to Buyer pursuant to or in connection with this Agreement contains or will contain any untrue statement of a material fact or omits or will omit to state a material fact necessary in order to make the statements herein or therein contained not misleading.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES OF BUYER

Buyer represents and warrants to Sellers that the statements contained in this Article IV are true, correct and complete as of the date of this Agreement and shall be true, correct and complete as of the Closing Date.

4.1 **Organization.** Buyer is a corporation duly organized, validly existing and in good standing under the laws of the Commonwealth of Pennsylvania. Buyer has the corporation power to purchase the Shares pursuant to this Agreement.

4.2 **Authorization; Enforceability.** The execution, delivery and performance of this Agreement are within the power of Buyer and have been duly authorized by all necessary action by Buyer. This Agreement is, and the other documents and instruments required hereby will be, when executed and delivered by Buyer, the valid and binding obligations of Buyer enforceable against Buyer in accordance with their respective terms, except in each case as such enforceability may be limited by bankruptcy, moratorium, insolvency, reorganization or other similar laws affecting or limiting the enforcement of creditors' rights generally and except as such enforceability is subject to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

4.3 **Absence of Conflicting Agreements.** Except for the governmental consents described in Article III, neither the execution, delivery or performance of this Agreement by Buyer nor the consummation of transactions contemplated by this Agreement, does or will, after the giving of notice, or the lapse of time, or otherwise conflict with, result in a breach of, or constitute a default under, the certificate of formation (or equivalent for a limited liability company) and operating agreement of Buyer, or any federal, state or local law, statute, ordinance, rule or regulations, or any court or administrative order or process, or any material contract, agreement, arrangement, commitment or plan to which Buyer is a party or by which Buyer is bound.

4.4 **Brokers.** Buyer has no obligation or liability to pay any fees or commission to any broker, finder, or agent with respect to the transactions contemplated by this Agreement which would be binding on the Sellers or the Company.

4.5 **FCC Qualifications.** Buyer is legally qualified under the Communications Act of 1934, as amended, as currently in effect, and the rules, regulations and written policies of the FCC as now in effect, to purchase the Shares.

4.6 **Disclosure.** No statement of material fact by Buyer contained in this Agreement and no written statement of material fact furnished or to be furnished by Buyer to Sellers pursuant to or in connection with this Agreement contains or will contain any untrue statement of a material fact or omits or will omit to state a material fact necessary in order to make the statements herein or therein contained not misleading.

ARTICLE V

PRE-CLOSING COVENANTS AND OTHER PRE-CLOSING MATTERS

5.1 **Access and Inspection.** From the date of this Agreement until the earlier of the Closing or the termination of this Agreement pursuant to Section 10.1, Buyer and its authorized designees, agents, officers and representatives shall have reasonable access upon reasonable prior notice during normal business hours to the business of the Company and the Station Assets (including all premises, real property, buildings, structures, customers, employees, engineers, properties, books, records, contracts, tax records, and documents of or pertaining to the Company or the Station) to conduct such examination and investigation of the business and financial statements of the Company and the Station Assets (including a technical review and an audit of the Station's finances) as they deem necessary, including interviewing the Company's officers, directors, employees and engineers. Any such access and inspection shall be conducted in such a manner as not to interfere unreasonably with the operations of the Station.

5.2 **Operations Pending Closing.** Subject to the Time Brokerage Agreement, from the date of this Agreement until the earlier of the Closing or the termination of this Agreement pursuant to Section 10.1, the Sellers shall cause the Company to:

- (a) operate the business of the Company and the Station in the usual and ordinary course of business consistent with past practices and in all material respects in accordance with applicable law, including, without limitation, FCC requirements, written policies, rules and regulations and all Environmental Laws;
- (b) maintain the Equipment in good operating condition, ordinary wear and tear and usage excepted, and replace in the ordinary course of business any of the Equipment that shall be worn out, lost, stolen or destroyed;
- (c) not purchase, sell, lease, mortgage, pledge or otherwise acquire or dispose of any of the Station Assets, except in the usual and ordinary course of business consistent with past practices, provided that Sellers may, at their election, vote to permit the Company to

contract to sell all or substantially all of the Station Assets to a White Knight, provided, however, that any such sale shall be subject to Buyer's right of first refusal pursuant to Section 26 of the Time Brokerage Agreement;

(d) not incur or create any additional or new liabilities for debt obligations or any other liabilities for accounts payable except in the usual and ordinary course of business consistent with past practices;

(e) maintain in full force and effect policies of liability, casualty and other insurance of the same type, character and coverage as the policies currently carried by the Company or the Station;

(f) take all commercially reasonable action to protect the present service areas of the Station from increased electrical interference from other stations, existing or proposed, including, without limitation, that to which the Station has a right to object pursuant to the terms of the Licenses; to exercise commercially reasonable efforts to maintain carriage, if any, of the Station's signals on all cable systems located within the Station's DMA and as to which the Station's signal is currently being carried; and to use commercially reasonable efforts to oppose all applications, proposals or proceedings, if any, that could adversely affect the Station and its service area;

(g) not adopt, or commit to adopt, any pension, profit sharing, deferred compensation or similar plan, program or trust on behalf of personnel of the Station, other than any such plan, program or trust currently maintained by the Company;

(h) promptly provide Buyer with copies of all material correspondence with cable systems concerning must carry status, retransmission consent and other material matters arising under the Cable Act, and shall keep Buyer reasonably advised of the status of all negotiations with cable systems concerning such matters;

(i) not consent to the secondary transmission and/or receipt of network signals to any distributor of satellite to home video signals or consumer/recipient of such signals for private home viewing except outside the Grade B service area of the Station or to unserved households as that term is defined in the Satellite Home Viewer Act of 1988, 17 U.S.C. Section 119; and.

(j) advise Buyer regarding the Station's cable carriage must-carry elections and entering into retransmission consent agreements or arrangements, shall make all such elections and agreements in a timely manner, and shall not enter into any retransmission consent agreements without first advising Buyer of its intention to do the same, except for renewal of existing retransmission consent agreements upon similar terms and conditions.

5.3 Financial and FCC Reports. Promptly after the end of each month ending after the date hereof and continuing through the Closing Date (but in no event later than thirty (30) days thereafter), Sellers or the Company shall furnish Buyer with (i) copies of the Company's monthly and quarterly financial statements and reports for the Station prepared after the date of the Interim Financial Statements (including the balance sheet and operating statement for each

such month and the fiscal year to the end of such month and the calendar quarter as applicable), and (ii) such other monthly and other periodic reports and statements for the Station as are prepared in the usual and ordinary course of business. In addition, from the date hereof through the Closing Date, Sellers or the Company shall promptly furnish Buyer all reports and applications filed with the FCC with respect to the Station.

5.4 **Change in Capital Stock.** Except as provided in SCHEDULE 3.2 from the date of this Agreement until the earlier of the Closing or the termination of this Agreement pursuant to Section 10.1, the Company shall not, and Sellers shall not cause or permit (i) any change in the authorized or issued capital stock or other capital stock or other ownership interest of the Company; or (ii) the Company to issue or grant any right or option to purchase or otherwise acquire any of its capital stock or other ownership interest. Except as provided in SCHEDULE 3.2 during the period set forth in the preceding sentence, the Company shall not, and the Sellers shall not cause or permit the Company to:

(a) directly or indirectly redeem, purchase or otherwise acquire or commit to acquire any capital stock or other ownership interest of the Company;

(b) effect a split or reclassification of any capital stock of the Company or a recapitalization of the Company;

(c) issue any capital stock or other ownership interest in the Company except as may be required pursuant to existing warrants and subscriptions; or

(d) change the charter, bylaws, or other governing instruments of the Company.

5.5 **Updating of Information.** Within twenty (20) days after the date of this Agreement, Sellers shall furnish to Buyer complete copies of all Contracts in the Company's possession including all amendments, modifications and supplements thereto and the information regarding oral contracts described in Section 3.10(e). From the date of this Agreement until the earlier of the Closing or the termination of this Agreement pursuant to Section 10.1, Sellers shall deliver to Buyer: (i) all information necessary to update and supplement any and all of the Schedules hereto and the lists, documents and other information furnished by Sellers as contemplated by this Agreement; and (ii) updated copies of documents relating to or included as a part of such Schedules and updated copies of items referred to on SCHEDULES 1.1, 1.2 1.3, 1.4, 1.5, 1.6, 1.7 and 1.8, in order that all such Schedules, lists, documents and other information and items shall be complete and accurate in all respects as of the Closing Date. Notwithstanding the foregoing, none of the representations, warranties and covenants to which such Schedules relate shall be deemed to be modified by any Schedules updated or supplemented pursuant to this Section 5.5 unless, and then only to the extent, agreed to in writing by Buyer. All deliveries required under this Section 5.5 shall be made on or prior to the Closing Date, on which date a final delivery shall be made.

5.6 **Best Efforts.** Without limiting the specific obligations of any party hereto under any agreement or covenant hereunder, each party hereto shall use best efforts to take all action and do all things necessary in order to consummate the transactions contemplated by this

Agreement, including, without limitation, satisfaction, but not waiver, of the closing conditions set forth in Article VI and Article VII.

5.7 **Exclusivity**. From the date of this Agreement until the earlier date of the Closing or the termination of this Agreement pursuant to Section 10.1 (the "Exclusive Period"), Sellers shall not, and Sellers shall cause the Company and its officers, directors, employees, affiliates (as such term is defined under the Securities Exchange Act of 1934, as amended), agents and advisors (including without limitation, attorneys, accountants, consultants, bankers and financial advisors, not to (i) solicit, enter into or continue any discussion, negotiations or agreement with, or initiate, or encourage the submission of any proposal or offer from, any Person relating to (A) the acquisition of any equity or other ownership interest, or any substantial portion of the assets, of the Company or (B) any time brokerage agreement, local marketing agreement, joint sales agreement, programming or management agreement on any similar agreement or arrangement; or (ii) participate in any discussions or negotiations regarding, furnishing any information with respect to, assisting or participating in, or facilitating in any other manner any effort or attempt by any Person to do or seek any of the foregoing. In addition, during the Exclusive Period, neither any Seller nor the Company shall enter into any agreement or understanding, whether oral or written that would prevent the consummation of the transactions provided for in this Agreement.

5.8 **DTV Application**. The Company shall timely file with the FCC and shall prosecute an application for the Station's digital television construction permit in order to preserve the Station's right to any digital television frequencies allotted to the Station (and all necessary and appropriate documents with respect thereto) (all such applications and documents, collectively, the "DTV Application"). Sellers and the Company shall use their best efforts to obtain a grant from the FCC of the DTV Application. The fees and expenses related to obtaining the DTV Application and the grant thereof prior to the consummation of the Closing shall be paid and borne by the Company.

ARTICLE VI

CONDITIONS PRECEDENT OF BUYER

The obligation of Buyer to consummate the transactions to be performed by it in connection with the Closing is subject to the satisfaction of each of the following conditions prior to or at the Closing:

6.1 **Compliance with Agreement**. Sellers and the Company shall have performed and complied in all material respects with each of their obligations and covenants under this Agreement which are to be performed or complied with by them prior to or at the Closing.

6.2 **Proceedings and Instruments Satisfactory.** All proceedings, corporate or otherwise, required to be taken by Sellers and the Company in connection with the performance of this Agreement, and all documents incident thereto, shall be complete in all material respects to the reasonable satisfaction of Buyer and Buyer's counsel, and Sellers shall have made available to Buyer for examination the originals or true and correct copies of all documents which Buyer may reasonably request in connection with the transactions contemplated by this Agreement.

6.3 **Representations and Warranties.** All of the representations and warranties made by Sellers or the Company in this Agreement (considered collectively), and each such representation and warranty (considered individually), must have been true and correct in all material respects as of the date of this Agreement and must be true and correct in all material respects at and as of the Closing Date with the same force and effect as though such representations and warranties had been made at and as of the Closing Date, without giving effect to any supplement, modification or amendment to any Schedule that has not been approved in writing by the Buyer pursuant to Section 5.5.

6.4 **Deliveries at Closing.** Sellers shall have delivered, or caused to be delivered, to Buyer the documents, each properly executed and dated as of the Closing Date, required pursuant to Section 2.7(a).

6.5 **Other Documents.** Sellers shall have delivered to Buyer such documents and certificates, including certificates of the officers of the Company and public officials, as shall be reasonably requested by Buyer's counsel to establish the existence and good standing of the Company and the due authorization of this Agreement and the transactions contemplated hereby by Sellers.

6.6 **Licenses.** The Company shall be the holder of the Licenses, such Licenses shall be in full force and effect, and there shall not have been any modification of any of such Licenses which has an adverse effect on the Station or the conduct of its business operations. The Station shall be operating in compliance in all material respects with all FCC requirements, rules, regulations and written policies, and no proceeding shall be pending or, to the Knowledge of Sellers and the Company, threatened, the effect of which would be to revoke, cancel, fail to renew, suspend or modify adversely any of the Licenses resulting from matters other than those directly and solely relating to Buyer.

6.7 **Absence of Liens.** On the Closing Date and simultaneously with the Closing, there shall not be any Liens on the Shares except for the Security Interest.

6.8 **No Injunction.** No injunction, restraining order or decree of any nature of any court or governmental or regulatory authority shall exist against any of the parties hereto, or any of the principals, officers, directors, managers, partners or members of any of them, that restrains, prevents or materially and adversely changes the transactions contemplated hereby.

If any of the conditions set forth in this Article VI have not been satisfied prior to or at the Closing, Buyer may nevertheless elect to proceed with the consummation of the transactions contemplated hereby.

ARTICLE VII

CONDITIONS PRECEDENT OF SELLERS

The obligation of Sellers to consummate the transactions to be performed by it in connection with the Closing is subject to the satisfaction of each of the following conditions prior to or at the Closing:

7.1 **Compliance with Agreement.** Buyer shall have performed and complied in all material respects with all of its obligations under this Agreement which are to be performed or complied with by it prior to or at the Closing.

7.2 **Representations and Warranties.** The representations and warranties made by Buyer must have been true and correct in all material respects as of the date of this Agreement and must be true and correct in all material respects at and as of the Closing Date with the same force and effect as though such representations and warranties had been made at and as of the Closing Date.

7.3 **Deliveries at Closing.** Buyer shall have delivered or caused to be delivered to Sellers the documents, each properly executed and dated as of the Closing Date required pursuant to Section 2.7(b). Buyer shall also have made the payments described in Section 2.5 in immediately available funds.

7.4 **Other Documents.** Buyer shall have delivered, or caused to be delivered, to Sellers such documents and certificates of officers of Buyer and of public officials as shall be reasonably requested by Sellers' counsel to establish the existence and good standing of Buyer and the due authorization of this Agreement and the transactions contemplated hereby by Buyer.

7.5 **No Injunction.** No injunction, restraining order or decree of any nature of any court or governmental or regulatory authority shall exist against any of the parties hereto, or any of the principals, officers, partners or members of any of them, that restrains, prevents or materially and adversely changes the transactions contemplated hereby.

7.6 **Proceedings and Instruments Satisfactory.** All proceedings, limited liability company or otherwise, required to be taken by Buyer in connection with the transactions contemplated by this Agreement, and all documents incident thereto, shall be complete in all material respects to the reasonable satisfaction of Sellers and Sellers' counsel, and Buyer shall have made available to Sellers for examination the originals or true and correct copies of all documents which Sellers may reasonably request in connection with the transactions contemplated by this Agreement.

ARTICLE VIII

SURVIVAL OF REPRESENTATIONS, WARRANTIES AND COVENANTS

8.1 **Survival of Representations and Warranties.** All of the representations and warranties of the parties hereto contained in the Agreement shall survive the Closing (even if the damaged party knew or had reason to know of any misrepresentation or breach of warranty at the time of Closing) and continue in full force and effect for a period of twenty-four (24) months thereafter. Any claims with respect to the foregoing sentence under Section 9.1 and Section 9.2 must be asserted in writing with reasonable particularity by the party making such claims within the applicable survival period.

8.2 **Survival of Covenants and Agreements.** The respective covenants and agreements of the parties contained in this Agreement shall survive the Closing without limitation as to time. Any claims as to a breach of a covenant or agreement under Article IX must be asserted in writing with reasonable particularity by the party making such claim.

ARTICLE IX

INDEMNIFICATION

9.1 **Indemnification of Buyer** Sellers agree, jointly and severally, to defend, indemnify and hold harmless Buyer, the Company, and their respective successors and assigns from, against, and in respect of the following:

(a) any and all losses, damages, deficiencies or liabilities caused by, resulting or arising from, or otherwise relating to: (i) any breach of the representations and warranties of Sellers contained in this Agreement or in any instrument, certificate or affidavit delivered by or on behalf of Sellers at the Closing in accordance with this Agreement; (ii) any breach of the representations and warranties of the Sellers contained in this Agreement, as if such representations and warranties were made on and as of the Closing Date; (iii) any failure by either Seller to perform or otherwise fulfill or comply with (X) if this Agreement shall have been terminated, Section 5.6, Section 5.7 or any other covenant, undertaking, agreement or obligation to be performed, fulfilled or complied with by Sellers or the Company prior to or in connection with the Closing or (Y) if the Closing shall occur, any covenant, undertaking or other agreement or obligation under this Agreement, or any other agreement required of Sellers, herein, to be performed, fulfilled or otherwise complied with by Sellers after the Closing; or (iv) any liability or obligation of Sellers; and

(b) any and all actions, suits, proceedings, claims, liabilities, demands, assessments, judgments, interest, penalties, costs and expenses, including reasonable attorneys' fees (whether or not incurred by the Buyer indemnitees in connection with investigating, defending, settling or prosecuting any action, suit, proceeding or claim against Buyer hereunder), incident to any of the items referred to herein or such indemnification; provided, however, that if

any action, suit, proceeding, claim, liability, demand or assessment shall be asserted against any Buyer indemnitee in respect of which such Buyer indemnitee proposes to demand indemnification, such Buyer indemnitee shall notify Sellers thereof within a reasonable period of time after assertion thereof, and such notice shall include copies of all suit, service and claim documents and all other relevant documents in the possession of the Buyer indemnitee, provided that the failure of the Buyer indemnitee to give such notice or provide such documentation shall not relieve Sellers of their obligations under this Section 9.1, if Sellers shall not have been prejudiced thereby (and then solely to the extent thereof). Subject to rights of or duties to any insurer or other third Person having liability therefor, Sellers shall have the right within ten (10) days after receipt of such notice to assume in writing the control of the defense, compromise or settlement of any such action, suit, proceeding, claim, liability, demand, or assessment, including, at their own expense, employment of counsel; provided further, however, that if Sellers shall have exercised their right to assume such control, the Buyer indemnitee may, in its sole discretion and expense, employ counsel to represent it (in addition to counsel employed by Sellers) in any such matter, and in such event counsel selected by Sellers shall be required to cooperate with such counsel of the Buyer indemnitee in such defense, compromise or settlement for the purpose of informing and sharing information with such Buyer indemnitee. So long as Sellers are defending in good faith any such claim or demand asserted by a third Person against the Buyer indemnitee, the Buyer indemnitee shall not settle or compromise such claim or demand. If Sellers have assumed the defense of any such claim or demand, then they shall not consent to the entry of judgement or enter into any settlement without the prior written consent of the Buyer indemnitee. The Buyer indemnitee shall make available to Sellers or their agents all records and other materials in the Buyer indemnitee's possession reasonably required by them for their use in contesting any third party claim or demand.

9.2 **Indemnification of Sellers.** Buyer agrees to defend, indemnify and hold harmless Sellers and their respective successors and assigns from, against and in respect of:

(a) any and all losses, damages, deficiencies or liabilities caused by, resulting or arising from or otherwise relating to: (i) any breach of the representations and warranties of Buyer contained in this Agreement or in any instrument, certificate or affidavit delivered by or on behalf of Buyer at the Closing in accordance with this Agreement; (ii) any failure by Buyer to perform or otherwise fulfill or comply with: (X) if this Agreement shall have been terminated, Section 5.6 or any other covenant, undertaking, agreement or obligation to be performed, fulfilled, or complied with by Buyer prior to or in connection with the Closing; or (Y) if the Closing shall occur, any covenant, undertaking or other agreement or obligation hereunder to be performed, fulfilled or otherwise complied with by Buyer after the Closing;

(b) any and all actions, suits, proceedings, claims, liabilities, demands, assessments, judgments, interest, penalties, costs and expenses, including reasonable attorneys' fees (whether or not incurred by the Seller indemnitees in connection with investigating, defending, settling or prosecuting any action, suit, proceeding or claim against any Seller indemnitee hereunder), incident to any of the items referred to herein or such indemnification; provided, however, that if any action, suit, proceeding, claim, liability, demand or assessment shall be asserted against any Seller indemnitee in respect of which such Seller indemnitee proposes to demand indemnification, such Seller indemnitee shall notify Buyer thereof within a reasonable period of time after assertion thereof, and such notice shall include copies of all suit,

service and claim documents, all other relevant documents in the possession of the Seller indemnitee and an explanation of the Seller indemnitee's contentions and defenses with as much specificity and particularity as the circumstances permit, provided that the failure of the Seller indemnitee to give such notice shall not relieve Buyer of its obligations under this Section 9.2 if Buyer shall not have been prejudiced thereby (and then solely to the extent thereof). Subject to rights of or duties to any insurer or other third Person having liability therefor, Buyer shall have the right within ten (10) days after receipt of such notice to assume the control of the defense, compromise or settlement of any such action, suit, proceeding, claim, liability, demand, or assessment, including, at its own expense, employment of counsel; provided further, however, that if Buyer shall have exercised its right to assume such control, the Seller indemnitee may, in its sole discretion and expense, employ counsel to represent it (in addition to counsel employed by Buyer) in any such matter, and in such event counsel selected by Buyer shall be required to cooperate with such counsel of the Seller indemnitee in such defense, compromise or settlement for the purpose of informing and sharing information with such Seller indemnitee. So long as Buyer is defending in good faith any such claims or demands asserted by a third Person against the Seller indemnitee, the Seller indemnitee shall not settle or compromise such claim or demand. If Buyer has assumed the defense of any such claim or demand, then it shall not consent to the entry of judgement or enter into any settlement without the prior written consent of the Seller indemnitee (which consent shall not be unreasonably withheld). The Seller indemnitee shall make available to the Buyer or its agents all records and other materials in the Seller indemnitee's possession reasonably required by it for its use in contesting any third party claim or demand.

9.3 **Determination of Loss and Amount.** Notwithstanding any provision to the contrary or otherwise in this Agreement, for purposes of determining under this Article IX whether any indemnifiable loss has occurred or the amount of any such indemnifiable loss, the respective representations, warranties, covenants, obligations and agreements of the parties set forth in this Agreement and any other agreement, instrument, certificate or affidavit delivered in connection with this Agreement will be considered and taken into account without regard to any materiality qualification set forth herein or therein.

9.4 **Remedies; Specific Performance.**

(a) The indemnification provisions of this Article IX are in addition to, and not in lieu or in derogation of, any other rights or remedies any party may have at law or in equity for a breach of any representations, warranties or covenants contained in this Agreement.

(b) Each of the parties to this Agreement acknowledges and agrees that Buyer would be damaged irreparably in the event any of the provisions of Sellers under this Agreement are not performed in accordance with their specific terms or otherwise are breached. Accordingly, each of the parties hereto agrees that Buyer shall be entitled to an injunction or injunctions to prevent breaches of the provisions of this Agreement by Sellers and to enforce specifically this Agreement and the terms and provisions hereof in any competent court having jurisdiction over the parties, in addition to any other remedy to which it may be entitled, at law or in equity.

9.5 **Survival**. Notwithstanding any other provision to the contrary in this Agreement, this Article IX shall survive termination of this Agreement without limitation.

ARTICLE X

TERMINATION

10.1 **Termination**. This Agreement may, by written notice given prior to the Closing, be terminated at any time:

- (a) by mutual written consent of Sellers and Buyer;
- (b) by Buyer, if Sellers or the Company shall breach or default in performance of any of their representations, warranties, covenants or obligations hereunder, and either (i) such breach or default in performance shall not have been cured or waived within thirty (30) days after written notice thereof from Buyer to Sellers; or (ii) Sellers shall not have provided reasonable assurance that such breach or default in performance shall be cured on or before the Closing Date; but only if such breach or default in performance, singly or together with all other such breaches or defaults in performance, constitutes a failure of the conditions contained in Section 6.1 or Section 6.3 as of the date of such termination;
- (c) by Sellers, if Buyer shall breach or default in performance of any of its representations, warranties, covenants or obligations hereunder, and either (i) such breach or default in performance shall not have been cured or waived within thirty (30) days after notice thereof from Sellers to Buyer; or (ii) Buyer shall not have provided reasonable assurance that such breach or default in performance shall be cured on or before the Closing Date; but only if such breach or default in performance, singly or together with all other such breaches or defaults in performance, constitutes a failure of the conditions contained in Section 7.1 or Section 7.2 hereof as of the date of such termination;
- (d) by Buyer, if any of the conditions set forth in Article VI of this Agreement shall not have been fulfilled by the Closing Date in any material respect or if satisfaction of such condition is or becomes impossible (unless the nonfulfillment results primarily from Buyer itself breaching any representation or warranty or failing to perform any covenant or agreement contained in this Agreement) and Buyer has not waived such condition on or prior to the Closing;
- (e) by Sellers, if any of the conditions set forth in Article VII of this Agreement shall not have been fulfilled by the Closing Date in any material respect (unless the nonfulfillment results primarily from Sellers themselves breaching any representation or warranty or failing to perform any covenant or agreement contained in this Agreement); or

(f) by Buyer or Sellers as provided in the Time Brokerage Agreement.

ARTICLE XI

MISCELLANEOUS

11.1 **Further Assurances.** From time to time after the Closing Date, upon the reasonable request of any party hereto, the other party or parties hereto shall execute and deliver or cause to be executed and delivered such further instruments of conveyance, assignment and transfer and take such further action as the requesting party may reasonably request in order to fully effectuate the purposes, terms and conditions of this Agreement.

11.2 **Entire Agreement; Amendment; and Waivers.** This Agreement, the agreements required to be delivered pursuant hereto or referred to herein, the Exhibits attached hereto and the Schedules referred to herein constitute the entire agreement between the parties pertaining to the subject matter hereof, and supersede all prior and contemporaneous agreements, understandings, negotiations and discussions of the parties, whether oral or written, and there are no warranties, representations or other agreements between the parties in connection with the subject matter hereof, except as specifically set forth herein or therein. No amendment, supplement, modification, waiver or termination of this Agreement shall be binding unless executed in writing by the party to be bound thereby. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provision or breach of this Agreement, whether or not similar, unless otherwise expressly provided.

11.3 **Expenses.** Except as otherwise specifically provided herein, whether or not the transactions contemplated by this Agreement are consummated, each of the parties hereto shall pay the fees and expenses of its respective counsel, accountants, agents and other experts incident to the negotiation and preparation of this Agreement and consummation of the transactions contemplated hereby.

11.4 **Benefit; Assignment.** This Agreement shall be binding upon and inure to the benefit of and shall be enforceable by Buyer and Sellers and their respective proper successors and assigns. No party to this Agreement may assign either this Agreement or any of its rights, interests or obligations hereunder without the prior written consent of the other party; provided, however, that Buyer may assign any or all of its rights, interest and obligations under this Agreement to any Affiliate of Buyer; and provided, further that Sellers will not unreasonably withhold or delay their consent to an assignment of this Agreement by Buyer to a Person which is, or controls or is controlled by, an FCC broadcast licensee or an FCC approved Person. Notwithstanding the foregoing, nothing in this Agreement, express or implied, is intended or shall be construed to confer upon or give to any Person, other than the parties hereto, and their respective permitted successors and assigns, any remedy, right, benefit or claim by reason of this Agreement, or any term, covenant or condition hereof, all of which shall be for the sole and exclusive benefit of the parties hereto and any permitted assignee of Buyer.

11.5 **Confidentiality**

(a) Unless otherwise agreed in writing by Sellers, Buyer agrees that prior to Closing, Buyer and its respective agents and representatives shall use only for its or their own benefit (except when required by law and except for use in connection with Buyer's financing of the transaction), and shall hold in strict confidence and not disclose: (i) any data or information relating to Sellers and the Company, or the Station obtained from Sellers or any of the Company's directors, officers, employees, agents or representatives in connection with this Agreement; or (ii) any data and information relating to the business, customers, financial statements, conditions or operations of the Station which is confidential in nature and not generally known to the public. If the transactions contemplated in this Agreement are not consummated for any reason, Buyer shall promptly return to Sellers all data, information and any other written material obtained by Buyer from Sellers in connection with this transaction and any copies, summaries or extracts thereof, and shall refrain from disclosing any of Sellers' Information to any third party or using any of Sellers' information for its own benefit or that of any other Person.

(b) Each Seller and the Company agrees that he, she or it, and his, her or its agents and representatives, shall use only for their own benefit (except when required by law and except for use in connection with their respective investigations and reviews of the Buyer in connection with this Agreement), and shall hold in strict confidence and not disclose (i) any data or information, relating to Buyer or its Affiliates obtained from Buyer, or from any of its members, officers, employees, agents or representatives, in connection with this Agreement; or (ii) any data and information relating to the business, customers, financial statements, conditions or operations of the Buyer which is confidential in nature and not generally known to the public. If the transactions contemplated in this Agreement are not consummated for any reason, Sellers shall promptly return to Buyer all data, information and any other written material obtained by Sellers from Buyer in connection with this transaction and any copies, summaries or extracts, thereof and shall refrain from disclosing any of Buyer's information to any third party or using any of Buyer's information for its own benefit or that of any other Person.

(c) Notwithstanding any other provision to the contrary in this Agreement, the provisions of this Section 11.5 shall survive the termination of this Agreement.

11.6 **Notices.** All communications or notices required or permitted by this Agreement shall be in writing and shall be deemed to have been given at the earlier of the date when actually delivered to an officer of the other party, or when sent by confirmed telecopy or facsimile machine to the number shown below, or when properly deposited for delivery by a nationally recognized commercial overnight delivery service, prepaid, or by deposit in the United States mail, certified or registered mail, postage prepaid, return receipt requested, and addressed as follows, unless and until either of such parties notifies the other in accordance with this Section of a change of address or change of telecopy number:

If to Buyer: Philadelphia Television Network, Inc.
2500 One Liberty Place
1650 Market Street
Philadelphia, PA 19103-7301
Attn: Richard H. Glanton, Esq.
Telephone No.: (215) 851-8120
Facsimile No.: (215) 851-1420

With copies to: Philadelphia Television Network, Inc.
1515 Market Street
Philadelphia, PA 19103
Attention: Eugene Cliett
Telephone No.: (215) 557-9750
Facsimile No.: (215) 248-0358

and

Brian A. Johnson, Esq.
Reed Smith Shaw & McClay, LLP
1301 K Street, N.W.
Suite 1100 - East Tower
Washington, D.C. 20005
Telephone No.: (202) 414-9227
Facsimile No.: (202) 414-9299

If to Sellers and Company: Mr. Micheal L. Parker
22720 S.E. 410th Street
Enumclaw, WA 98022
Telephone No.: (610) 921-9181
Facsimile No.: (610) 921-9139

With copies to: Robert H. Clymer, M.D.
582 Bay Villas Lane
Naples, FL 33963
Telephone No.: (941) 597-9247
Telecopy No.: (941) 597-9247

and

Reading Broadcasting, Inc.
1729 North 11th Street
Reading, PA 19604
Attention: Frank McCracken
Telephone No.: (610) 921-9181
Telecopy No.: (610) 921-9139

11.7 **Counterparts; Headings.** This Agreement may be executed in several counterparts, each of which shall be deemed an original, but such counterparts shall together constitute but one and the same Agreement. This Agreement may be executed and delivered in counterpart signature pages executed and delivered via facsimile transmission, and any such

counterpart executed and delivered via facsimile transmission shall be deemed an original for all intents and purposes. The Table of Contents and Article and Section headings in this Agreement are inserted for convenience of reference only and shall not constitute a part hereof.

11.8 **Severability**. If any provision, clause or part of this Agreement or the application thereof under certain circumstances is held invalid, or unenforceable, the remainder of this Agreement, or the application of such provision, clause or part under other circumstances, shall not be affected thereby.

11.9 **Governing Law**. Except as otherwise expressly provided herein, this Agreement shall be governed by, and construed in accordance with, the law of the Commonwealth of Pennsylvania without reference to any choice or conflict of law principle, provision or rule, including all matters of construction, validity and performance.

11.10 **Construction**. Should any provision of this Agreement require judicial interpretation, the parties hereto agree that the court interpreting or construing the same shall not apply a presumption that the terms hereof shall be more strictly construed against one party by reason of the rule of construction that a document is to be construed more strictly against the party which itself or through its agents prepared the same, it being acknowledged and agreed that the agents of each party have participated in the preparation hereof. Any reference to any federal, state, local or foreign statute or law shall be deemed also to refer to all rules and regulations promulgated thereunder, unless the context required otherwise. The words "herein," "hereby," "hereunder" and other similar words shall refer to this Agreement. The word "including" shall mean including without limitation. The use of the words "or," "either" and "any" shall not be exclusive. Nothing disclosed in any Schedule shall be deemed adequate to disclose an exception to a representation or warranty made herein unless the Schedule identifies the exception with reasonable particularity and describes the relevant facts in reasonable detail. The parties hereto intend that each representation, warranty and covenant contained herein shall have independent significance. If any party hereto has breached any representation or warranty or covenant contained herein in any respect, the fact that there exists another representation, warranty or covenant relating to the same subject matter (regardless of the relative levels of specificity) which the party has not breached shall not deviate from or mitigate the fact that the party is in breach of the first representation, warranty or covenant.

11.11 **Incorporation of Exhibits and Schedules**. All of the Exhibits and Schedules identified in this Agreement are incorporated by reference into this Agreement and made a part hereof.

11.12 **Waiver**. Any of the conditions to Closing set forth in this Agreement may be waived at any time prior to or at the Closing hereunder by the party entitled to the benefit thereof. The failure of any party hereto to enforce at any time any of the provisions of this Agreement

shall in no way be construed to be a waiver of any such provision, nor in any way to affect the validity of this Agreement or any part hereof or the right of such party thereafter to enforce each and every such provision. No waiver of any breach of or non-compliance with this Agreement shall be held to be a waiver of any other or subsequent breach or non-compliance.

IN WITNESS WHEREOF, the parties hereto have executed this Option and Stock Purchase Agreement as of the day and year first above written.

PHILADELPHIA TELEVISION NETWORK, INC.

By: Richard H. Glanton
Name: RICHARD H. GLANTON
Title: CHAIRMAN & CO-CEO

READING BROADCASTING, INC.

By: Michael L. Parker
Name: Michael L. Parker
Title: President

Michael L. Parker
Michael L. Parker

Robert H. Clymer, M.D.

Nelson Long

Roger N. Longenecker

Robert H. Clymer, M.D.

Nelson Long

Roger N. Longenecker

Henry N. Aurandt, MD

Henry N. Aurandt, MD for Mary Ethlyn Muir

Helen H. Aurandt

Robert H. Clymer, M.D.

Nelson Long

Roger N. Longenecker

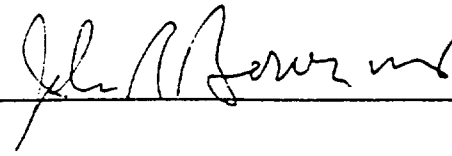
A handwritten signature in cursive script, appearing to read "John A. Brown", is written over a horizontal line.

EXHIBIT A

SELLERS

Shares

Micheal L. Parker

~~Robert H. Clymer, M.D.~~ Fay H. Clymer, Trustee

Nelson Long

Robert H. Clymer, Jr.
Estate Reduction Trust
dated Mar 24, 1997

Roger N. Longenecker



~~40,271~~

Above named trustee as seller wishes to option forty thousand
two hundred seventy one (40,271) shares.

Fay H. Clymer Trustee

FAY H. CLYMER, TRUSTEE